

CIA/OER/S-07565-75 TRENDS IN OPEC TRADE
OUO

Approved for Release 10/22/01 : CIA-DOCS-0060800 (2001-09-03)

JUN 75
01 OF 01

S-07565

CENTRAL INTELLIGENCE AGENCY
WASHINGTON, D.C. 20505

CIA/OER/S - 07565-75

24 June 1975

MEMORANDUM FOR: Mr. Carl Schmidt, Director
Office of International Trade
Department of State

SUBJECT : Trends in OPEC Trade

The attached report and tables on recent trends in sales to OPEC are in response to Mr. Sid Williams' 17 June phone call. If we can provide additional information on this or related subjects, please call [REDACTED] or me on IDS code [REDACTED]

25X1A

25X1A9A

Acting Chief
Multilateral Trade Negotiations
Task Force
Office of Economic Research

Attachment:
As stated.

Distribution: (S-07565)
Orig & 1 - Addressee (Schmidt)
1 - D/OER, SA/ER
1 - D/I
3 - St/P
2 - I/MTN

25X1A9A OER/I/MTN/ [REDACTED] /td/ [REDACTED] (24 June 75)
25X1A



12

OFFICIAL USE ONLY

SHARES IN THE OPEC MARKET IN 1974

The major developed countries* captured nearly three-fourths of the \$15 billion increase in world sales to OPEC states last year. The value of the Big Seven's combined exports to OPEC went up 81% from 1973, 2-1/2 times the rate for their other exports. Their inroads into the OPEC market were mainly at the expense of the other developed countries. As a group, the smaller developed countries claimed only 13% of the OPEC market, compared with 16% in 1973, while the LDCs and Communist countries together held on to about 19% of the market.

Key Beneficiaries

Most of the export gains among the major developed countries went to the United States and Japan. Together they accounted for 40% of the increase in world sales to OPEC, improving their combined position from 31% to 34% of the OPEC market. The rest of the major countries showed little change in their market shares. France, West Germany, and Canada gained a little while Italy and the United Kingdom lost slightly.

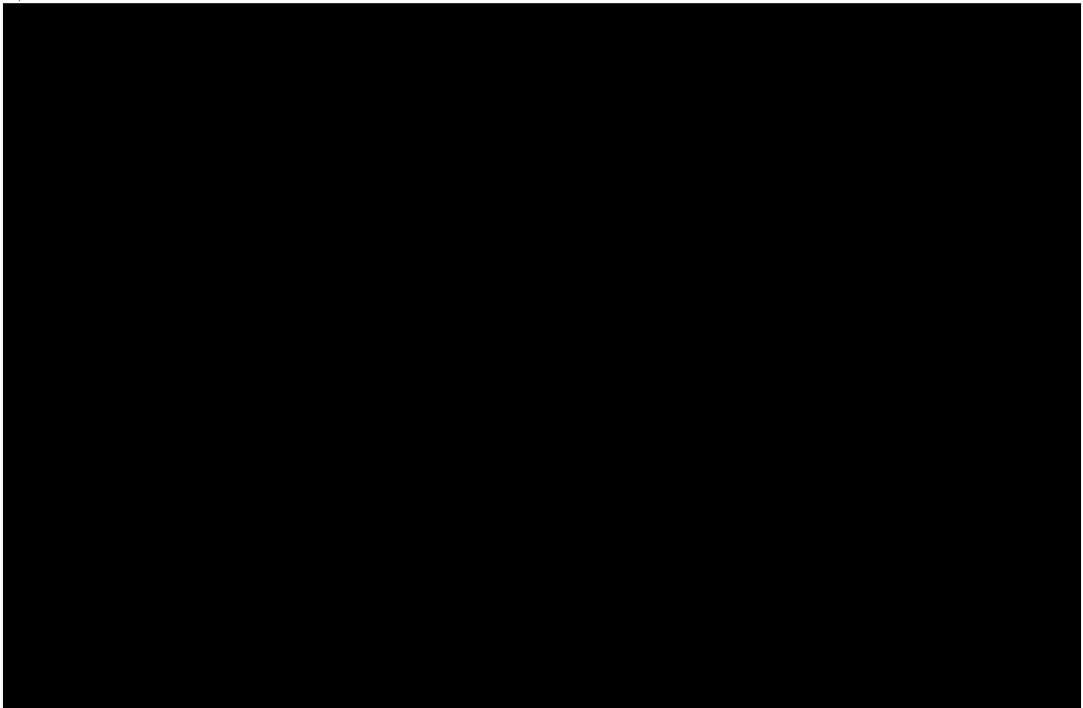
US sales to OPEC were up by more than \$3 billion from 1973. More than half of the increase went to two countries, Iran and Venezuela. Roughly one-third of the *US, Japan, Canada, the UK, West Germany, France, and Italy.

OFFICIAL USE ONLY

OFFICIAL USE ONLY

additional sales of \$1 billion to Iran were military equipment, with another \$0.5 billion divided between food and transportation equipment. About half of the increase in US sales to Venezuela consisted of machinery and equipment; an additional one-third was chemical products and agricultural goods. The United States also sold several hundred million dollars worth of military goods to Saudi Arabia and large amounts of capital goods and food to all OPEC countries.

25X6A



Other Exporters

More than two-fifths of the gain in France's sales came with its former colony, Algeria, where strong trade

OFFICIAL USE ONLY

OFFICIAL USE ONLY

ties continue. [redacted]

25X6A [redacted]

25X6A

Prospects

Total world sales to OPEC are expected to reach about \$50 billion this year. The major developed countries should continue to dominate this growing market; the United States and Japan should remain the chief suppliers, with West Germany perhaps gaining in its market share. Competition among the Big Seven is intense because of the prevalence of excess capacity.

OFFICIAL USE ONLY

OFFICIAL USE ONLY

TABLE 1

EXPORTS TO OPEC

	Billion \$			Percentage Share of the Increase
	1973	1974	Increase	
United States	3.6	6.7	3.1	21
Japan	2.7	5.3	2.6	19
West Germany	2.3	4.3	2.0	11
France	1.7	3.0	1.3	9
United Kingdom	1.6	2.6	1.0	6
Italy	1.2	2.4	1.2	5
Canada	0.3	0.6	0.3	2
Major Developed Countries	13.4	24.9	11.5	72
Other Developed Countries	3.3	4.6	1.3	9
LDC/Communist	3.9	6.7	2.8	19
TOTAL	20.6	36.2	15.6	100

OFFICIAL USE ONLY

OFFICIAL USE ONLY

TABLE 2

SHARE OF OPEC MARKET

(Percent)

<u>Exporter</u>	<u>1973</u>	<u>1974 (est.)</u>
Major developed countries	65.0	68.8
United States	17.5	18.9
Japan	13.1	15.5
West Germany	11.2	11.3
France	8.3	8.5
United Kingdom	7.8	7.0
Italy	5.8	6.0
Canada	1.5	1.7
Other developed countries	16.0	13.0
LDCs and Communist countries	18.9	18.9

OFFICIAL USE ONLY

MAJOR DEVELOPED COUNTRIES: EXPORTS, First Quarter 1975
(MILLION US \$)

	Japan			United States			Canada			France			United Kingdom			Italy		
	Jan	Feb	Mar	Jan	Feb	Mar	Jan	Feb	Mar	Jan	Feb	Mar	Jan	Feb	Mar	Jan	Feb	Mar
TOTAL	3,621	4,436	4,936	9,201	8,543	9,464	2,685	2,444	2,556	4,193	4,487	4,616	3,705	3,534	3,723	2,398	2,697	2,855
EC	365	487	531	2,169	2,033	2,219	199	165	NA	2,081	2,197	NA	1,134	1,137	NA	1,107	1,167	NA
Other OECD	1,147	1,420	1,529	3,376	3,286	3,455	2,094	2,002	NA	828	918	NA	1,334	1,261	NA	523	630	NA
OCEDC	425	660	782	844	681	895	71	54	NA	385	391	NA	356	353	NA	248	305	NA
Communist	439	481	478	239	170	208	77	71	NA	191	239	NA	124	108	NA	148	170	NA
Rest of World	1,245	1,388	1,616	2,573	2,373	2,687	244	152	NA	708	742	NA	757	675	NA	372	425	NA

MAJOR DEVELOPED COUNTRIES: IMPORTS, First Quarter 1975
 (MILLION US \$)

	Japan			United States*			Canada*			France			United Kingdom			Italy		
	Jan	Feb	Mar	Jan	Feb	Mar	Jan	Feb	Mar	Jan	Feb	Mar	Jan	Feb	Mar	Jan	Feb	Mar
TOTAL	4,901	4,562	4,965	9,823	7,453	2,818	2,607	2,851	4,605	4,608	4,891	5,169	4,481	4,426	2,941	2,766	3,357	
EC	268	273	294	1,839	1,311	1,517	174	153	NA	2,059	2,259	NA	1,830	1,674	NA	1,214	1,200	NA
Other OECD	1,809	1,719	1,780	3,692	2,897	3,159	2,055	2,008	NA	966	948	NA	1,732	1,458	NA	633	592	NA
OPEC	1,667	1,540	1,737	2,174	1,170	1,006	327	246	NA	787	744	NA	797	676	NA	627	517	NA
Communist	228	261	288	107	69	66	38	25	NA	149	142	NA	128	129	NA	137	168	NA
Rest of World	930	769	865	2,011	1,714	1,705	224	175	NA	644	515	NA	682	544	NA	330	289	NA

*US and Canadian imports are reported f.o.b.; other countries are c.i.f.

MAJOR DEVELOPED COUNTRIES: EXPORTS, 4TH QUARTER 1974
 (MILLION US \$)

	JAPAN	UNITED STATES	CANADA	WEST GERMANY	FRANCE	UNITED KINGDOM	ITALY
TOTAL	16,548	27,135	8,784	24,177	12,744	10,491	8,568
EC	1,656	5,910	1,165	10,152	6,501	3,435	3,705
OTHER OECD	5,691	10,896	6,702	7,263	2,754	3,885	2,127
OPEC	1,863	2,272	192	1,455	966	792	789
COMMUNIST	1,434	483	123	1,899	555	336	534
REST OF WORLD	5,904	7,574	602	3,408	1,968	2,043	1,413

MAJOR DEVELOPED COUNTRIES: IMPORTS, 4TH QUARTER 1974*

(MILLION US \$)

	JAPAN	UNITED STATES	CANADA	WEST GERMANY	FRANCE	UNITED KINGDOM	ITALY
TOTAL	15,879	27,357	8,940	18,540	13,821	14,118	10,503
EC	930	5,022	840	8,793	6,354	4,842	4,389
OTHER OECD	5,490	11,349	6,801	4,431	2,868	4,839	1,977
OPEC	4,782	4,185	732	2,181	2,373	2,064	2,349
COMMUNIST	846	255	63	918	432	57	540
REST OF WORLD	3,831	6,546	504	2,217	1,794	1,866	1,248

*C.I.F., EXCEPT UNITED STATES AND CANADA.

PROFILE OF THE OPEC MARKET, 1974

(PERCENT OF TOTAL)

	EXPORTERS IMPORTERS	WORLD TOTAL (BILLIONS OF \$, F.O.B.)	BIG SEVEN							OTHER MEM- BER COUN- TRIES	NON- MEM- BER COUN- TRIES	
			UNITED STATES	JAPAN	WEST GERMANY	FRANCE	UNITED KINGDOM	ITALY	CANADA			
TOTAL OPEC		36.0	68	19	15	11	8	7	6	2	13	19
ALGERIA		3.7	80	10	4	14	36	4	8	4	11	8
ECUADOR		0.8	76	42	14	10	2	4	2	2	11	13
INDONESIA		3.8	73	14	39	9	3	5	2	1	8	16
IRAN		7.2	75	26	15	17	4	10	3	1	10	15
IRAQ		3.1	57	10	17	13	8	5	3	1	11	32
KUWAIT		1.8	50	11	15	9	4	8	3	—	11	33
LIBYA		3.1	69	5	6	13	12	5	26	—	15	16
NIGERIA		2.7	66	11	11	13	7	20	4	1	12	22
QATAR		0.3	60	7	10	4	21	11	7	1	40	—
SAUDI ARABIA		3.6	70	25	20	9	4	8	4	1	12	16
UNITED ARAB EMIRATES		1.4	43	12	16	2	5	5	2	—	42	16
VENEZUELA		4.5	71	41	9	8	3	3	5	3	8	21

BIG SEVEN: EXPORTS TO OPEC COUNTRIES, 1974

(EXPORTS IN MILLIONS OF US DOLLARS AND PERCENTAGE INCREASES OVER 1973)

EXPORTS OF: TO:	US	CANADA	JAPAN	UK	WEST GERMANY	FRANCE	ITALY	TOTAL SEVEN
Colombia	96339 (37)	32360 (39)	54220 (47)	35930 (18)	89230 (32)	46620 (30)	30110 (35)	355520 (40)
Egypt	351 (19)	156 (463)	155 (206)	128 (46)	482 (54)	1297 (72)	1360 (69)	2258 (32)
Ecuador	326 (86)	12 (82)	114 (125)	32 (11)	82 (78)	19 (47)	115 (-2)	560 (26)
Indonesia	530 (20)	55 (211)	1453 (61)	200 (151)	324 (65)	104 (96)	59 (133)	2724 (59)
Iran	1734 (125)	64 (15)	1019 (110)	552 (101)	1140 (53)	257 (27)	1753 (-1)	5042 (24)
Iraq	235 (416)	19 (1664)	478 (379)	140 (114)	373 (72)	214 (154)	91 (-89)	1501 (365)
Kuwait	202 (74)	5 (178)	280 (68)	160 (52)	150 (127)	64 (66)	62 (59)	319 (79)
Libya	139 (24)	6 (-54)	234 (113)	146 (13)	402 (91)	352 (81)	810 (79)	2695 (72)
Nigeria	286 (80)	24 (5)	286 (103)	520 (27)	346 (65)	175 (62)	115 (35)	1753 (65)
Qatar	34 (75)	4 (306)	47 (136)	52 (18)	21 (106)	160 (C) (1135)	32 (61C)	232 (170)
Saudi Arabia	235 (89)	18 (37)	680 (75)	280 (88)	266 (127)	120 (121)	129 (65)	2342 (69)
United Arab Emirates	239 (60)	5 (163)	309 (91)	200 (76)	200 (187)	160 (C) (263)	31 (98)	2355 (109)
Venezuela	1768 (71)	209 (103)	490 (106)	113 (26)	331 (15)	141 (36)	125 (-4)	3631 (59)
Total OPEC	6726 (87)	576 (118)	5454 (101)	2608 (63)	4926 (78)	2353 (75)	1947 (62)	24146 (91)

1973 ORIGINAL US\$ VAL